

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

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UNITED STATES OF AMERICA,  
Plaintiff,

CASE NO. CR. 96-350 WBS

v.

JOHN THAT LUONG, et al.,

ORDER RE: DEFENDANT JOHN THAT  
LUONG'S MOTION TO DISMISS  
VARIOUS COUNTS FOR FAILURE TO  
ALLEGE ALL ELEMENTS OF THE  
CHARGED OFFENSE

Defendants.

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Defendant John That Luong moves the court to dismiss counts 13 and 25-28 of the July 16, 1998 Superseding Indictment for failure to allege that the financial transaction in question has an affect on interstate commerce and failure to identify a financial institution involved in the transaction therein alleged.

Under Federal Rule of Criminal Procedure 12(b) (3) (B), a defendant may move to dismiss an indictment based on defects in the indictment, lack of jurisdiction, or failure to charge an offense. "[A]n indictment is sufficient if it, first, contains

1 the elements of the offense charged and fairly informs a  
2 defendant of the charge against which he must defend, and,  
3 second, enables him to plead an acquittal or conviction in bar of  
4 future prosecutions for the same offense." Hamling v. United  
5 States, 418 U.S. 87, 117 (1974) (citations omitted).

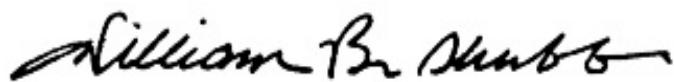
6 Counts 13, 25, and 26 allege a violations of 18 U.S.C.  
7 § 1956(a)(1)(B)(i) and (ii). Section 1956 applies only to  
8 financial transactions that have an effect upon interstate or  
9 foreign commerce. United States v. Goodwin, 141 F.3d 394, 399-  
10 400 (2d Cir. 1997) ("Section 1956(c)(4) limits the reach of the  
11 statute to transactions 'affect[ing] interstate or foreign  
12 commerce' in 'any way or degree,' and to transactions involving  
13 financial institutions 'engaged in, or the activities of which  
14 affect, interstate or foreign commerce in any way or degree.'")  
15 Counts 27 and 28 allege violations of 18 U.S.C. § 1957(a), which  
16 similarly requires proof of the element of an affect on  
17 interstate or foreign commerce. See 18 U.S.C. § 1957(a), (f)(1).  
18 Therefore, an effect on interstate or foreign commerce is an  
19 element that must be alleged in an indictment charging a  
20 violation under 18 U.S.C. §§ 1956 and 1957.

21 In each of these counts, the indictment properly  
22 alleges an effect upon interstate commerce. (July 16, 1998  
23 Superseding Indictment at 8 (Counts 13 and 14: "the defendant  
24 listed below . . . did knowingly conduct a financial transaction  
25 affecting interstate commerce"); 16 (Counts 25 and 26: "the  
26 defendant listed below . . . did knowingly conduct a financial  
27 transaction affecting interstate commerce"); 17 (Counts 27 and  
28

1 28: "the defendant listed below . . . did knowingly engage in a  
2 monetary transaction, affecting interstate commerce") .)<sup>1</sup>

3 IT IS THEREFORE ORDERED that defendant's motion to  
4 dismiss counts 13 and 25-28 of the indictment be, and the same  
5 hereby is, DENIED.

6 DATED: January 25, 2006  
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8   
9 WILLIAM B. SHUBB  
10 UNITED STATES DISTRICT JUDGE

22  
23 <sup>1</sup> Defendant cites Goodwin, 141 F.3d at 400-01, United  
24 States v. Green, 964 F.3d 365 (5th Cir. 1992), and United States  
25 v. Peay, 972 F.2d 71 (4th Cir. 1992) for the proposition that the  
26 money laundering counts indictment must include proof of a nexus  
27 to interstate commerce and proof of a financial transaction.  
28 However, these cases dealt with indictments that, unlike the  
indictment here, had failed to expressly allege that the  
transactions had an effect on interstate commerce. Furthermore,  
these courts found the indictments sufficient for lack of  
prejudice to the defendant even though they had not expressly  
alleged certain elements of the applicable money laundering  
statutes.